SUPREME COURT, U. S.

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No. 814

IN THE

Supreme Court of the United States

OCTOBER TERM, 1967

PHILLIPS PETROLEUM COMPANY, *Petitioner,*

v.

EDWARD J. BRENNER, U. S. Commissioner of Patents and GOODRICH-GULF CHEMICALS, INC. and MONSANTO COMPANY, *Respondents.*

BRIEF BY RESPONDENT MONSANTO COMPANY IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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INDEX

	Page
Questions Presented	1
Counterstatement of the Case	2
Reasons for Not Granting the Writ	3
Argument	4
Concise Summary of the Material Facts	4
Points and Authorities	6

CITATIONS

CASES:

Abbott Laboratories v. *Gardner*, 387 U.S. 136 (1967)	8
Gardner v. *Toilet Goods Association*, 387 U.S. 167 (1967)	8
Morgan v. *Daniels*, 153 U.S. 120-125 (1894)	6
Ochsner v. *Millis*, 382 F.2d 618, 155 U.S.P.Q. 195, 198 (6 Cir. 1967)	7
Toile Goods Association v. *Gardner*, 387 U.S. 158 (1967)	8

OTHER AUTHORITIES:

88 *Corpus Juris Secundum*	10

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Respondent Monsanto Company respectfully submits that the Petition for Writ of Certiorari should be denied.

The opinion of the Court below is reported at 154 U.S.P.Q. 211. The opinion of the District Court is reported at 260 F. Supp. 45 and 151 U.S.P.Q. 446.

QUESTIONS PRESENTED

1. Should the Courts review only final administrative agency decisions and avoid piecemeal consideration, except

   (a) where the review after final administrative decision allegedly will not be adequate, and/or

(b) where irreparable injury allegedly will result from waiting for Court review until after final agency action?

2. Is a "fair" trial sufficient or does petitioner have a right to a "perfect" trial?

COUNTERSTATEMENT OF THE CASE

Petitioner has overstated its case and amplification is required in the following respects in order to provide the proper perspective for consideration of the legal issues involved: The status of petitioner's assignors in the interference is merely that of a junior party "under order to show cause," i.e., their earliest *alleged* date of invention is later than the *filing* date of either of the assignors of the two corporate respondents. [*JA 4, 5, 74] [**App. 13a]. As such, petitioner's assignors have only the right to remain in the interference for the *sole* purpose of continuing to assert the alleged lack of disclosure in the applications of the other two parties [App. 13a, 14a]. Further, petitioner failed to move at the appropriate time for leave to take testimony on that issue [see App. 18a.] As to any points of controversy between the other two parties *vis-à-vis* each other, the petitioner and its assignors are merely "strangers to the proceeding" [App. 15a] and, as such, have no right to participate in the testimony taken to determine the issue of priority as between such other two parties [App. 16a].

Petitioner's exclusion from participation in the testimony was therefore proper; but assuming *arguendo*

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* The "JA" page references hereinafter are to the printed Joint Appendix in the Court of Appeals.

** The "App." page references hereinafter are to the printed Appendix at the end of the Petition for Writ of Certiorari.

the contrary, any error in this exclusion was corrected by the Patent Office ruling that in deciding the "right to make" of the other two parties to the interference, the two corporate respondents herein, the Board of Patent Interferences will *not* consider at final hearing any part of the records relating to testimony taken in the absence of petitioner [App. 15a]. The District Court said [App. 9a-10a]:

> "The Court is of the opinion that in accordance with the binding precedents and the *general rule* governing such matters, this Court should not interfere with the pending proceeding in the Patent Office until it is brought to a conclusion and then only it may review the interlocutory orders in an action sought to review the final order." [Emphasis added] [260 F. Supp. at 47].

The Court of Appeals said (App. 7a):

> "Appellant's case is a far cry from those exceptional cases where a court may consider the validity of what is in form an interlocutory administrative order but is in substance a final determination of individual rights of a deprivation of a substantive statutory right." [154 U.S.P.Q. at 214]

REASONS FOR NOT GRANTING THE WRIT

There is no important public question in the present case that would warrant the expenditure of this Court's limited time. More specifically:

A. Contrary to the allegations of petitioner, the Court of Appeals will review a Patent Office proceeding at an intermediate or interlocutory stage in a proper case.

B. Contrary to the allegations of petitioner, the Court of Appeals is not granting special status to the

Patent Office as compared to other administrative agencies but, rather, considered the nature of this particular Patent Office proceeding and the rulings made therein in deciding whether this particular case merited judicial intervention at this stage.

C. Contrary to the allegations of petitioner, the Court of Appeals is not abdicating its power to review Patent Office actions but, rather, affirmed the general rule against piecemeal review except in extraordinary circumstances which that Court found not to be present here.

ARGUMENT

Concise Summary of the Material Facts

The three corporate parties are all involved in an interference proceeding in the Patent Office based on three applications filed by their respective assignors, the petitioner's application having been filed nearly a year *after* the applications of respondents Goodrich-Gulf and Monsanto. The petitioner is therefore the juniormost party to the interference. Because in its preliminary statement (corresponding to the pleadings in an ordinary civil action) no date of invention was *alleged* on behalf of the petitioner's application as early as the actual filing dates of either respondent Goodrich-Gulf's application or respondent Monsanto's application, petitioner was placed under order to show cause why judgment on the record should not be rendered against it [App. 13a]. This was in accordance with Patent Office Rule 225 [App. 22a] and merely followed the practice of many decades' standing in interference proceedings in the Patent Office.

Petitioner avoided immediate judgment on the record against it by filing a motion to dissolve the inter-

ference on the ground that the assignors of respondents Goodrich-Gulf and Monsanto had no right to make the count of the interference because the subject matter thereof was not disclosed in their respective applications. The petitioner's motion to dissolve the interference was denied and, upon request by the petitioner, the issue raised by the motion to dissolve was set for consideration at final hearing in accordance with Rules 225 and 258 [App. 13a, 14a, 15a]. Consequently the petitioner, although the juniormost party, was permitted to remain in the interference solely for the limited purpose of arguing at final hearing the question of respondents Goodrich-Gulf's and Monsanto's right to make the count [App. 13a].

In the meantime, the corporate respondents Goodrich-Gulf and Monsanto proceeded during times set by the Patent Office to take testimony bearing on the issue of priority of invention *vis-à-vis each other*. In view of petitioner's position as juniormost party under order to show cause, plus its failure to move for leave to take testimony, neither respondent Goodrich-Gulf nor respondent Monsanto gave notice to petitioner of taking testimony.

The propriety of proceeding in such fashion was sustained first by the Board of Patent Interferences itself [App. 12a] and then by the Commissioner of Patents on petition [App. 17a and App. 19a].

Petitioner complains of the manner in which testimony was thus taken, and of being excluded from further proceedings insofar as these relate to the determination of priority as between the two corporate respondents.

POINTS AND AUTHORITIES

Petitioner argues in its brief that the Patent Office has violated some of its own rules. The petitioner is mistaken. The Patent Office has merely *interpreted* its own rules in view of a situation not specifically dealt with by the rules [App. 14a]. The Patent Office provided for just such a situation as the present one by Patent Office Rule 247 entitled "Service of Papers" wherein it is stated "However, the requirement for service of designated papers may be waived under particular circumstances and service may be required of other designated papers which need not ordinarily be served." [App. 23a, 24a]. With regard to Patent Office Rule 253 entitled "Copies of the Testimony" [App. 25a] which requires that ". . . . one true copy of the record must be served upon each of the *opposing parties*" [emphasis added], it is submitted that petitioner is not an *opposing party* for the purposes of this rule since petitioner has no right to take testimony [App. 14a].

Petitioner argues that under the doctrine of *Morgan* v. *Daniels*, 153 U.S. 120-125 (1894), it will be prejudiced since the interference will be decided on a defective record (Petition, p. 11). It is not seen how this can be true since it has already been ruled by the Patent Office that the testimony record will not be considered on the only point on which petitioner is entitled to be heard, namely, whether the corporate respondents' applications support the count [App. 15a]. However, and in any event, the District Court answered this argument quite adequately as follows [App. 10a]:

> "If the plaintiff loses ultimately in the Patent Office interference proceeding and brings an action *de novo* in this Court to review the final action of

> the Patent Office this Court would be in a position to review interlocutory orders as well as the final order, and if it finds any error in any interlocutory order that was prejudicial and led to an erroneous final decision, this Court would be in a position to set aside and vacate the order of the Patent Office awarding priority to one of the plaintiff's opponents." [260 F. Supp. at 47].

Petitioner argues (Petition, p. 12) in citing a recent 6th Circuit Court of Appeals decision, *Ochsner* v. *Millis,* 382 F. 2d 618, 155 U.S.P.Q. 195, 198 (6 Cir. 1967) that neither a 35 U.S.C. § 141 appeal nor a 35 U.S.C. § 146 civil action will provide adequate relief for petitioner. On its facts, of course, *Ochsner* has no pertinency to the present case. In *Ochsner,* both the senior party and the junior party in the interference were authorized to take testimony, and the junior party was engaged in taking the deposition of the senior party when, on advice of counsel, the senior party refused to answer certain questions. The *Ochsner* case was then brought in Federal District Court in an attempt to compel the senior party to answer those questions. Suits similar to the *Ochsner* case are not uncommon and indeed are specifically authorized under the Patent Laws—see 35 U.S.C. § 24. Unlike the petitioner here, Ochsner was not under order to show cause in the Patent Office and hence had the right to take testimony in the ordinary course of the interference. Here the petitioner, although he might have done so, failed to file a motion for leave to take testimony—see the Commissioner's remarks on this point at App. 18a.

Petitioner has suggested that the effect of the Court of Appeals decision in this case is that there can be no court review of any Patent Office orders in *inter partes*

interferences except the terminal order. Clearly the Court of Appeals indicated otherwise in its opinion where it said as follows:

> "Appellant's case is a far cry from those exceptional cases where a court may consider the validity of what is in form an interlocutory administrative order but is in substance a final determination of individual rights or a deprivation of a substantial statutory right." [App. 7a] [154 U.S.P.Q. at 214]

Petitioner has cited a number of cases which, on their facts, do not appear to be pertinent to the present case and so respondent makes no arguments with respect to these cases. However, petitioner does cite three recent companion cases of this Court, namely *Abbott Laboratories* v. *Gardner,* 387 U.S. 136; *Toilet Goods Association* v. *Gardner,* 387 U.S. 158; and *Gardner* v. *Toilet Goods Association,* 387 U.S. 167. It seems probable that the Court of Appeals considered all three of those cases since it specifically cited the *Abbott Laboratories* v. *Gardner* case, and all three were decided by this Court at the same time. Furthermore, respondent in its brief opposing petitioner's petition for rehearing before the Court of Appeals discussed in some detail the *Toilet Goods Association* case and that case is submitted to be especially pertinent to the present fact situation.

The *Toilet Goods Association* case involved a regulation merely to the effect that the Commissioner *may* authorize inspectors to examiner certain processes or formulae, etc. Consequently, pre-enforcement judicial review was deemed inappropriate at that stage because the controversy was not yet ripe for adjudication in that it was not clear *whether* or *when* such an inspection would be ordered, nor what *reasons* the Commis-

sioner of Foods and Drugs would give to justify his order. Note the striking parallel to the present case where it is self-evident that the *petitioner here has not yet been hurt.*

Applying that same principle to the situation presented by the present petition, the petitioner here, as we have seen, has *already* obtained complete and adequate relief before the administrative tribunal in question since *that tribunal has already ruled squarely in petitioner's favor* on whether it would give heed to any testimony by the two corporate respondents herein on the question of right to make—assuming *arguendo* that there was any such testimony. The Board squarely ruled that:

> "... this Board will not consider at final hearing any part of those records [of testimony by the opposing parties Horne et al. and Slocombe] in deciding the question of the right to make of these parties." [App. 15a]

Unless and until the Board of Patent Interferences should "renege" on its promise of record, petitioner has not been hurt in the slightest. What is even more important, the petitioner has not even suggested that the Board is *about* to renege. Moreover, it is again especially emphasized that the *petitioner failed to move for leave to take testimony* on the question of the alleged lack of right of its opponents to make the count of the interference, as it had the right to do. Consequently, having had the opportunity and duty to move, but having failed to do so [App. 17a, 18a], petitioner cannot now be heard to complain.

It appears to be the position of the petitioner that it is entitled to what might be suggested as a *perfect*

trial of its case before the Patent Office Board of Interferences. However, the courts have many times said that litigants have a right to a fair trial but not to a *perfect* trial (see the 1967 Cumulative Annual Pocket Part of 88 *Corpus Juris Secundum* at 88 CJS 20, citing *Miller* v. *Braun,* 196 Kan. 313 and *Walker* v. *Holiday Lanes, Inc.,* 196 Kan. 513). The record conclusively shows that, to date at least, the Patent Office has accorded petitioner every consideration to which as the juniormost party "under order to show cause" it is entitled. This is the very essence of a fair trial. Petitioner is not entitled to more.

It is respectfully submitted that this Court should deny the Petition for Writ of Certiorari.

Respectfully submitted,

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